

STATE OF SOUTH CAROLINA

(Caption of Case)

In the Matter of:

Application of Duke Energy Carolinas,
LLC for Approval of Energy Efficiency
Plan Including an Energy Efficiency Rider
and Portfolio of Energy Efficiency Programs

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2007 - 358 - E

(Please type or print)

Submitted by: J. Blanding Holman, IVSC Bar Number: 72260

Address: Southern Environmental Law Center
200 W. Franklin Street, Suite 330
Chapel Hill, NC 27516

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Other: _____

Email: BHolman@SELCNC.org

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: _____**INDUSTRY (Check one)****NATURE OF ACTION (Check all that apply)**

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|--|--|--|---|
| <input checked="" type="checkbox"/> Electric | <input type="checkbox"/> Affidavit | <input type="checkbox"/> Letter | <input type="checkbox"/> Request |
| <input type="checkbox"/> Electric/Gas | <input type="checkbox"/> Agreement | <input type="checkbox"/> Memorandum | <input type="checkbox"/> Request for Certificati |
| <input type="checkbox"/> Electric/Telecommunications | <input type="checkbox"/> Answer | <input type="checkbox"/> Motion | <input type="checkbox"/> Request for Investigatic |
| <input type="checkbox"/> Electric/Water | <input type="checkbox"/> Appellate Review | <input type="checkbox"/> Objection | <input type="checkbox"/> Resale Agreement |
| <input type="checkbox"/> Electric/Water/Telecom. | <input type="checkbox"/> Application | <input type="checkbox"/> Petition | <input type="checkbox"/> Resale Amendment |
| <input type="checkbox"/> Electric/Water/Sewer | <input type="checkbox"/> Brief | <input type="checkbox"/> Petition for Reconsideration | <input type="checkbox"/> Reservation Letter |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Certificate | <input type="checkbox"/> Petition for Rulemaking | <input type="checkbox"/> Response |
| <input type="checkbox"/> Railroad | <input type="checkbox"/> Comments | <input type="checkbox"/> Petition for Rule to Show Cause | <input type="checkbox"/> Response to Discovery |
| <input type="checkbox"/> Sewer | <input type="checkbox"/> Complaint | <input type="checkbox"/> Petition to Intervene | <input type="checkbox"/> Return to Petition |
| <input type="checkbox"/> Telecommunications | <input type="checkbox"/> Consent Order | <input type="checkbox"/> Petition to Intervene Out of Time | <input type="checkbox"/> Stipulation |
| <input type="checkbox"/> Transportation | <input checked="" type="checkbox"/> Discovery | <input type="checkbox"/> Prefiled Testimony | <input type="checkbox"/> Subpoena |
| <input type="checkbox"/> Water | <input type="checkbox"/> Exhibit | <input type="checkbox"/> Promotion | <input type="checkbox"/> Tariff |
| <input type="checkbox"/> Water/Sewer | <input type="checkbox"/> Expedited Consideration | <input type="checkbox"/> Proposed Order | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Administrative Matter | <input type="checkbox"/> Interconnection Agreement | <input type="checkbox"/> Protest | |
| <input type="checkbox"/> Other: | <input type="checkbox"/> Interconnection Amendment | <input type="checkbox"/> Publisher's Affidavit | |
| | <input type="checkbox"/> Late-Filed Exhibit | <input type="checkbox"/> Report | |

SOUTHERN ENVIRONMENTAL LAW CENTER

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December 19, 2007

Via Federal Express

Mr. Charles L.A. Terreni
Chief Clerk of the Commission
S.C. Public Service Commission
P.O. Drawer 11649
Columbia, SC 29211

✓

SC PUBLIC SERVICE
COMMISSION

2007 DEC 20 PM 12:32

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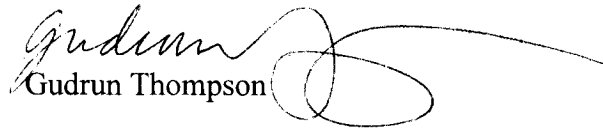
RE: Application of Duke Energy Carolinas, LLC for Approval of Energy
Efficiency Plan Including and Energy Efficiency Rider and Portfolio of
Energy Efficiency Programs (2007-358-E)

Dear Mr. Terreni:

Enclosed please find for filing in the above-captioned docket an original and (1) copy of the Coastal Conservation League ("CCL"), Southern Alliance for Clean Energy ("SACE") and Southern Environmental Law Center's ("SELC") First Set of Interrogatories and Requests for Production of Documents to Duke Energy Carolinas. By copy of this letter, I am serving all parties of record.

I have enclosed an extra copy of this discovery request which I would ask you to date stamp and return to me in the stamped self-addressed envelope enclosed for your convenience. If you have questions, please do not hesitate to contact me.

Sincerely,


Gudrun Thompson

STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION
DOCKET NO. 2007-358-E

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2007 DEC 20 PM 12:32
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COMMISSION

In the Matter of:

Application of Duke Energy Carolinas, LLC for Approval of Energy Efficiency Plan Including an Energy Efficiency Rider and Portfolio of Energy Efficiency Programs)	CCL, SACE AND SELC'S FIRST SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO DUKE ENERGY CAROLINAS
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The South Carolina Coastal Conservation League ("CCL"), Southern Alliance for Clean Energy ("SACE") and the Southern Environmental Law Center ("SELC"), by and through their legal counsel, hereby submit the following interrogatories and requests for production of documents to Duke Energy Carolinas, LLC ("Duke"). Please serve on the undersigned on or before January 8, 2007 your responses to the following:

Interrogatories:

1. Please provide the projections of revenues and of programs costs that support the statement by Mr. Jacobs on page 9, lines 8-9 of his testimony that projected revenues will cover projected program costs.
2. On page 8, lines 10-12 of his testimony, Mr. Jacobs states that "Actual program costs for the reporting period will be included for information purposes as a footnote in the Reports."
 - a. Please define "actual program costs."
 - b. Will breakouts of the costs for "program design, development of training materials, development of communication and advertising materials...one time incentives paid upfront for the installation of energy efficiency measures or equipment ...program administration costs and credits to customers who participate in demand response programs" be included? (Category names are from page 4, lines 24-25 and page 5, lines 1-6.)
 - c. Will breakouts of the program costs and avoided costs for load management versus energy efficiency be included?
 - d. Will any additional breakouts be included? If so, please state the additional detail on top of the total program costs for the year that you plan to provide in this footnote.

3. Mr. Farmer states on page 8, lines 21-22 of his testimony that avoided capacity costs for 2008 are based on the most recent approved qualifying facility ("QF") filing. Please:
 - a. Identify the numerical value of the avoided capacity costs that were used.
 - b. Identify the numerical value of the avoided cost rate related to the above avoided capacity costs.
 - c. Provide the assumed annual capacity factor used in calculating the QF rate.
 - d. Explain how the avoided capacity and energy costs will be obtained for the 2009 vintage year (Farmer testimony, page 9 line 3).
 - e. Explain the basis and rationale for the 4% escalation factor (Farmer testimony, page 10, line 7).
4. Mr. Farmer's Exhibit No. 2 proposes a residential revenue requirement of \$7,919,560 and a nonresidential revenue requirement of \$15,829,264. Please:
 - a. Identify the amount of this revenue requirement that corresponds to amortizing program costs, the amount that corresponds to amortizing estimated net revenue impacts, and the amount that corresponds to amortizing an incentive to the utility.
 - b. Provide the full derivation of these two figures.
 - c. Provide a projection of the total annual amount of residential and non-residential Riders EE for the second, third, and fourth years of the Plan described in Mr. Schultz's testimony, based on the Company's current estimates of the relevant input parameters.
5. Mr. Stevie's Exhibit No. 2 presents benefit-to-cost ratios for programs using various tests. Please:
 - a. Explain whether the avoided capacity-related costs used in this program screening were the same as described by Mr. Farmer at page 8 lines 21-22 of his testimony. Please explain their derivation and provide their numeric value at the program level and at the measure level.
 - b. Provide the numeric value of the energy avoided costs used in this screening at the program level and at the measure level.
 - c. For each reported program please provide the program level dollar values for the components of the Utility, total resource cost ("TRC"), and rate impact measure ("RIM") test which correspond to the summary benefit to cost ratios shown for each of these 3 tests. Please also provide the assumed aggregate annual and lifetime kilowatt ("kW") and kilowatt-hour ("kWh") savings per program.
 - d. For each one of the programs with RIM test results below 1.0, please provide the amount of utility lost revenue that was used in the calculation, expressed on an average cents per kWh basis over program lifetime.
6. In her Table 2 (page 8 of her testimony), Ms. Hager shows conservation impacts growing from 40 megawatts ("MW") for 2008 to 789 MW for 2020. Demand response impacts (denominated as "DSM" in the table) are shown growing from 716 MW in 2008 to 1016 MW for 2010. Please provide the forecasted load before these reductions, from 2008 through 2020.

7. On page 10, line 13, Ms. Hager refers to existing programs which provide some 700 MW of load impact. Are all of these programs demand response programs? If any are “conservation” programs (defined here as programs that reduce energy consumption) for what amount of load impact do these account?
8. Beginning on page 19, line 14, of his testimony, Mr. Schultz discusses the Company’s desire for flexibility in running new energy efficiency programs. Please identify which of the following elements, if any, the Company believes to be included in the requested degree of flexibility:
- Reducing or increasing overall portfolio funding levels within years.
 - Increasing or decreasing the program cost budget for a program, within or between years.
 - Adding or subtracting specific program measures, within or between years.
 - Modifying program participation incentives offered, within or between years.
 - Modifying customer eligibility for programs, within or between years.
9. On pages 4 and 5 of his pre-filed testimony, Mr. Schultz described the company’s existing demand-side programs. Please:
- Identify the annual supply cost savings the Company realized from each of Riders IS, SG, and LC, for 2006 or (if available) 2007.
 - Identify all costs the Company incurred to operate each of Riders IS, SG, and LC, on an annual basis for 2006 or (if available) 2007.
 - Provide the most recent available Company testimony which explains and quantifies the costs and benefits of Riders IS, SG, and LC.
 - Provide the most recent available Company testimony which explains and quantifies the costs and benefits of the programs listed on page 5, lines 1 through 8, of Mr. Schultz’s testimony.
8. On page 20 of his pre-filed testimony, between lines 14 and 15, Mr. Schultz presents a 4-year plan and its projected results. Please explain:
- Whether Duke seeks permission to implement rider EE for year 1, and to continue with and modify the rider for each of the three subsequent years?
 - Whether Duke seeks authorization at this time to continue Rider EE beyond a four-year period?
 - Please disaggregate the projected MW impacts, forecasted system MW load, projected megawatt-hour (“MWh”) impacts, and forecasted system MWh load, as between North Carolina and South Carolina.
 - Please disaggregate the MW and MWh impacts into those associated with each of the programs Duke seeks to operate.
10. On page 8, line 11, and again on page 10, line 6 and 7, Mr. Rogers addresses the ability of utility earnings from demand-side investments to compare with the level of earnings from supply-side investments. Please explain:
- What overall level of earnings over the relevant time period Duke expects to receive from the four-year Save-A-Watt plan if approved as proposed.

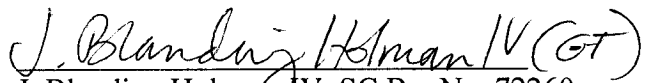
- b. What kinds and amounts of costs are deducted from projected Save-A-Watt revenue over the life of the plan to arrive at the preceding earnings forecast, including specifically the utility's spending on the plan or "program costs," and the net lost (or gained) revenues for the plan as a whole.
- c. What the overall level of earnings would be from the comparable no-Save-A-Watt supply scenario.
- d. What the utility's effective return on equity is expected to be (a) with and (b) without the four-year Save-A-Watt plan.

11. On page 6, lines 6-10 Ms. Ruff states the following: "However, starting in 2009, the Company will need additional capacity over time to accommodate load growth, unit capacity adjustments, unit retirements, existing demand side management program reductions, and expirations of purchased-power contracts." Please explain what "existing demand side management program reductions" the Company expects to make.

Requests for Production of Documents:

- 1. Please provide workpapers documenting each assumption and calculation supporting the residential revenue requirement of \$7,919,560 and the nonresidential revenue requirement of \$15,829,264 proposed in Mr. Farmer's Exhibit No. 2.
- 2. Mr. Stevie's Exhibit No. 2 presents benefit-to-cost ratios for programs using various tests. Please provide worksheets showing all of the inputs and outputs to the screening analysis at the measure level.

Respectfully submitted this 19th day of December, 2007.


J. Blanding Holman IV, SC Bar No. 72260
Gudrun Thompson, NC Bar No. 28829

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Attorneys for CCL, SACE and SELC

CERTIFICATE OF SERVICE

I hereby certify that the following persons have been served with SELC, SACE and CCL's First Set of Interrogatories and Requests for Production of Documents to Duke Energy Carolinas by electronic mail:

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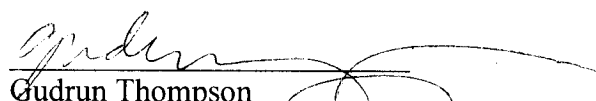
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This 19th day of December, 2007.


Gudrun Thompson
Attorney for CCL, SACE, and SELC

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